

Settlement Memorandum of Understanding

("Fidelity")

1. Fidelity & Guaranty Ins. Co. will pay to the  
Seekonk Water District/Town of Seekonk, Mass., the sum  
of Fifty thousand dollars (\$50,000.00);

2. The parties hereto agree to  
Release all claims asserted in  
the action entitled Fidelity & Guaranty  
Ins. Co. v. Star Equip. Corp., et al,  
# 04-cv-10250-EFH (D.Mass.)  
except that Star, Charlene Foran &  
John Foran do not release  
claims and defenses they  
have against each other.

3. This settlement is conditioned upon:

(a) Approval by appropriate municipal  
authorities; and

(b) Execution of customary releases  
and settlement agreement.

Dated: March 4, 2006

STAR EQUIPMENT, by

Christene Foran

Charlene Foran

John Foran

John Foran

John Foran

AS TO FORM:

JAMES J. MINNIN

COUNSEL FOR STAR  
AND THE FORANS

John H. Whalen

ATTORNEY FOR FIDELITY

Eric H. Zeffler

ATTORNEY FOR FIDELITY

By Robert Fuller CHAIRMAN

By John H. Whalen ATTORNEY  
FOR FIDELITY

By Eric H. Zeffler ATTORNEY  
FOR FIDELITY